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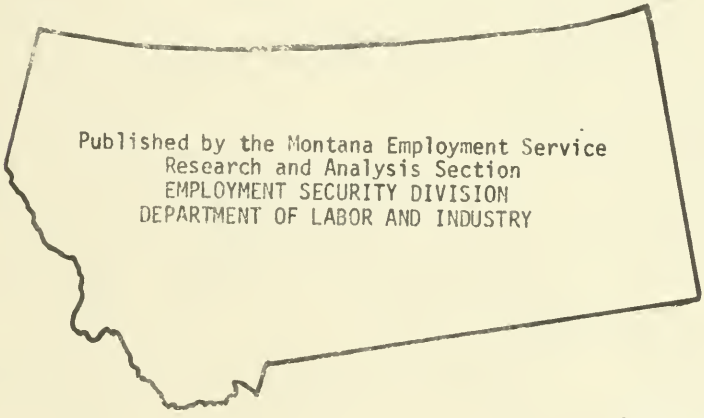
MONTANA ECONOMIC INDICATORS



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DEPARTMENT OF LABOR AND INDUSTRY

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MONTANA

ECONOMIC INDICATORS

AN ANALYSIS OF PAST AND PRESENT ECONOMIC TRENDS

MONTANA STATE EMPLOYMENT SERVICE

EMPLOYMENT SECURITY DIVISION

DEPARTMENT OF LABOR AND INDUSTRY

Prepared by:
EMPLOYMENT SERVICE
RESEARCH AND ANALYSIS
BOX 1728
HELENA, MONTANA

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Employment, Hours and Earnings, and Labor Turnover data produced in cooperation with the Bureau of Labor Statistics and the Manpower Administration.

TABLE OF CONTENTS

	Page No.
Title Page	i
Acknowledgments	ii
Table of Contents	1
Analysis - 1973	2
Leading Indicators:	
Average Weekly Hours - Manufacturing	4
Total Accessions - Manufacturing	4
Layoffs - Manufacturing	4
Average Weekly Initial Claims	6
Building Permits - Number	6
Building Permits - Valuation	6
Coinciding Indicators:	
Average Weekly Insured Unemployed	8
Unemployment Rate	8
Unemployment Total	8
Montana Manufacturing Employment	10
Montana Nonagricultural Employment Index	10
U. S. Nonagricultural Employment Index	10
Montana Civilian Work Force Index	10
U. S. Civilian Work Force Index	10
Bank Debits - State of Montana	12
Selected Indicators:	
Total Nonagricultural Placements	12
Montana Composite Index - 6 Leading Indicators	12
Farm Price Index	14
Average Hourly Earnings - Manufacturing	14
Employment - Lumber and Wood Products	14
New Domestic Corporations	16
Dissolutions of Domestic Corporations	16
New Foreign Corporations	16
Withdrawals of Foreign Corporations	16
Total New Domestic and Foreign Corporations	16
Appendix I Glossary	19
Appendix II Key	23

ANALYSIS - 1973

Economic activity in Montana during the first two quarters of 1973 maintained encouraging trends. However, the full impact of Phase III controls upon these trends is not yet clear at this time.

In manufacturing industries, average weekly hours were greater than for the same period in 1972. However, this gain was partially offset by total accessions and layoffs which were slightly lower than for the comparable period in 1972. (See pages 4 - 5).

Total average weekly initial claims for the first two quarters of 1973 were 9% lower than the comparable months of 1972. Building permits reached the highest level in nine years. The dollar valuation of building permits was also up but this increase is due partially to the increased cost of construction. (See pages 6 - 7).

Average weekly insured unemployed showed an overall decrease in the six months of 1973 compared to the same time period of 1972. Correspondingly, the unemployment rate and total unemployed displayed the same trend. (See pages 8 - 9).

Employment and the civilian work force displayed slight decreases from the same period one year ago due largely to the decrease in employment in the metals manufacturing industry. This trend is expected to reverse itself during the third quarter of 1973. (See pages 10 - 11).

Bank debits reached the highest level in banking history of Montana. However, this is attributed largely to inflation. Nonagricultural placements showed an overall increase over the first six months of last year, and composite index is slightly lower than last year. (See pages 12 - 13).

The farmers' parity ratio reached its highest level in 13 years as prices received by farmers displayed a dramatic increase. Average hourly earnings in manufacturing continued its upward trend as employment in the lumber and wood products industry maintained its highest level in 13 years. (See pages 14 - 15).

Corporations, both domestic and foreign showed overall increase over previous years, and withdrawals and dissolutions remained at a very low level. (See pages 16 - 17).

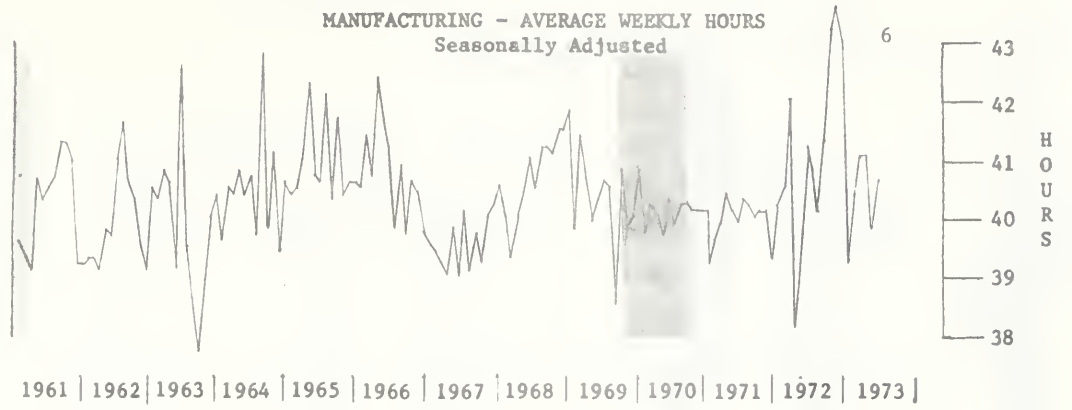
MONTANA LEADING INDICATORS

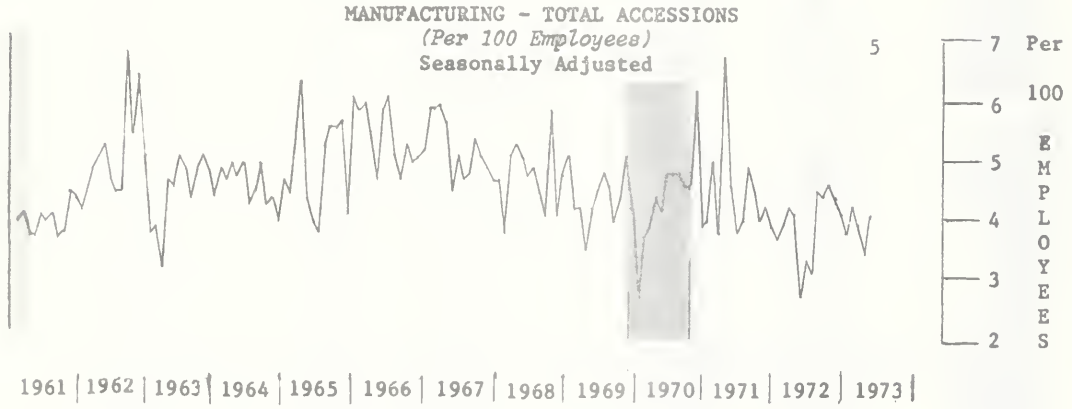
1971 1972 1973

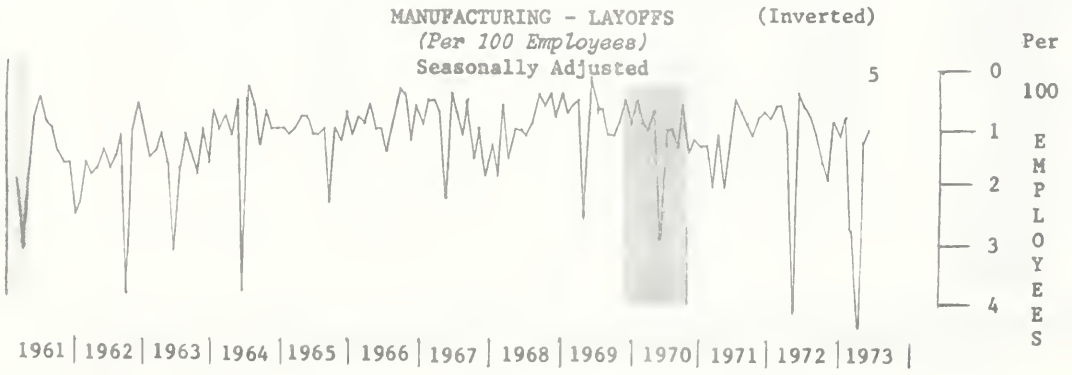
	Manufacturing-Average Weekly Hours		Manufacturing-Total Accessions *(Per 100 Employees)*		Manufacturing-Layoffs *(Per 100 Employees)*	
	UNADJUSTED	ADJUSTED	UNADJUSTED	ADJUSTED	UNADJUSTED	ADJUSTED
1971						
January	40.3	40.1	3.4	4.9	2.4	2.1
February	39.4	39.6	2.1	3.7	1.1	1.2
March	39.7	39.9	5.3	6.6	1.4	2.1
April	39.7	40.4	5.4	4.5	1.1	1.4
May	40.2	40.1	5.0	3.7	0.4	0.6
June	39.4	39.9	7.2	3.9	0.6	0.8
July	39.9	40.3	5.6	4.8	0.8	1.0
August	41.2	40.2	4.4	4.4	1.4	1.2
September	40.5	40.0	4.6	3.9	0.9	0.9
October	40.3	40.1	4.5	4.1	1.2	0.8
November	39.9	40.1	2.1	3.8	1.2	0.9
December	39.5	39.3	2.0	3.6	0.9	0.7
1972						
January	40.5	40.2	2.6	3.8	0.9	0.7
February	40.4	40.5	2.3	4.1	1.1	1.2
March	41.7	42.0	3.2	4.0	2.9	4.3
April	37.4	38.1	3.1	2.6	0.4	0.5
May	37.3	37.2	4.4	3.2	0.5	0.7
June	40.7	41.2	5.6	3.0	0.7	0.9
July	40.4	40.8	5.1	4.4	0.9	1.2
August	41.1	40.1	4.3	4.3	2.0	1.7
September	41.8	41.3	5.3	4.5	2.1	2.0
October	43.6	43.4	4.6	4.2	1.4	1.0
November	43.4	43.6	2.2	4.0	1.7	1.2
December	43.2	43.0	2.5	4.5	1.9	1.5
1973						
January	40.3	39.3	2.6	3.7	1.0	.8
February	40.3	40.4	2.3	4.1	2.8	3.1
March	40.8	41.0	3.1	3.8	3.1	4.6
April	40.3	41.0	3.9	3.3	1.1	1.4
May	39.9	39.8	5.4	3.9	.7	1.0
June	40.1	40.6				
July						
August						
September						
October						
November						
December						

NOTE: Seasonally adjusted data and the use of indexes are provided for statistical analysis only and should not be confused with actual numbers. See Glossary.

MONTANA LEADING INDICATORS







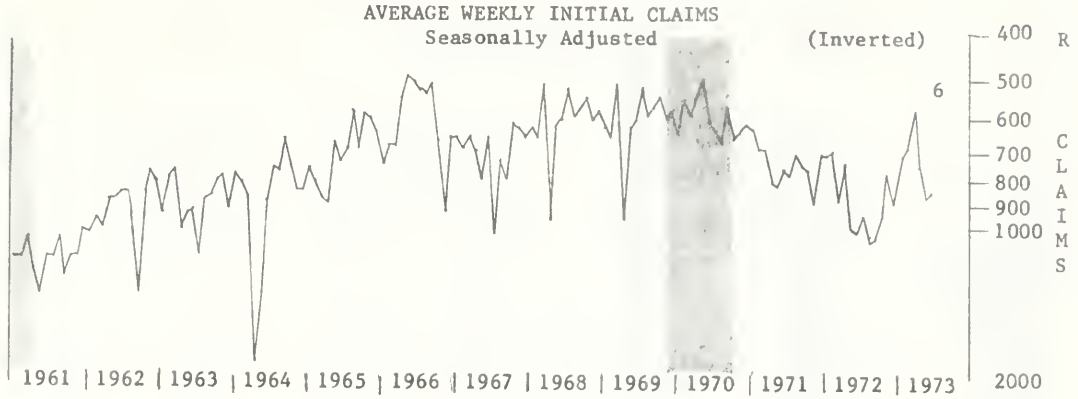
MONTANA LEADING INDICATORS

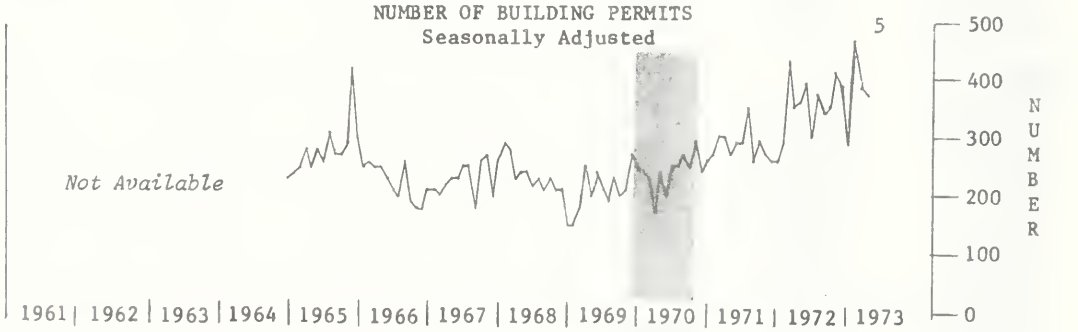
1971 1972 1973

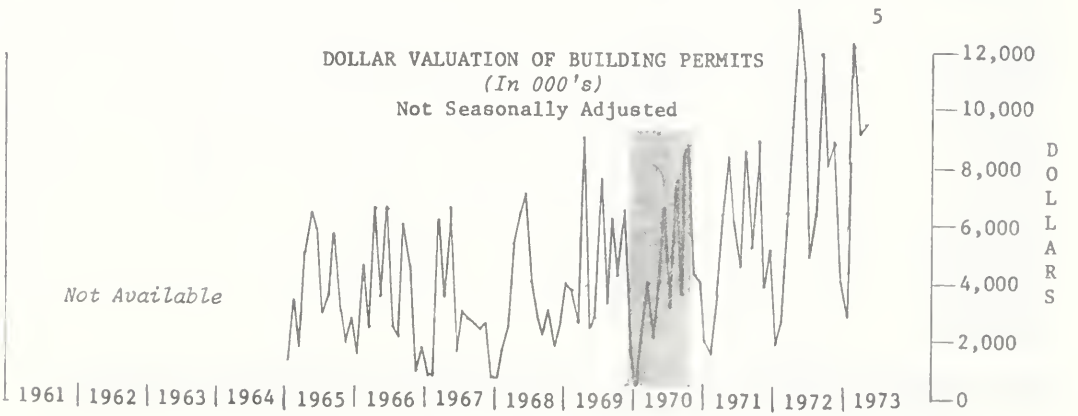
	Average Weekly Initial Claims		Building Permits		
			Number		Valuation (In 000's)
	UNADJUSTED	ADJUSTED	UNADJUSTED	ADJUSTED	UNADJUSTED
1971					
January	1,195	586	106	274	$ 2,123
February	912	703	153	289	1,740
March	849	741	277	311	3,742
April	705	730	443	319	6,418
May	450	763	364	287	8,426
June	543	828	406	306	6,162
July	534	827	382	309	4,780
August	967	1,863	410	365	8,693
September	849	1,608	357	277	5,370
October	735	958	387	309	9,046
November	901	755	228	280	4,044
December	1,256	761	136	276	5,243
1972					
January	1,428	709	105	273	$ 2,067
February	883	690	159	302	2,740
March	1,003	871	398	448	6,531
April	712	737	514	365	9,527
May	585	992	473	372	13,566
June	667	1,017	532	401	11,160
July	611	946	392	317	5,043
August	563	1,085	437	389	6,533
September	555	1,051	454	352	12,834
October	713	931	452	361	8,244
November	919	770	344	423	8,994
December	1,465	887	136	276	4,572
1973					
January	1,443	717	152	396	4,102
February	885	692	155	296	2,967
March	673	588	433	487	12,254
April	728	754	463	392	9,398
May	516	875	483	380	9,528
June	561	855			
July					
August					
September					
October					
November					
December					

NOTE: Seasonally adjusted data and the use of indexes are provided for statistical analysis only and should not be confused with actual numbers. See Glossary.

MONTANA LEADING INDICATORS







MONTANA COINCIDING INDICATORS

1971 1972 1973

	Average Weekly Insured Unemployed		Unemployment Rate *(Percent)*		Unemployment Total *(In Thousands)*	
	UNADJUSTED	ADJUSTED	UNADJUSTED	ADJUSTED	UNADJUSTED	ADJUSTED
1971						
January	9,033	4,893	*8.8*	*6.9*	23.7	19.7
February	9,116	4,750	*9.0*	*6.8*	24.5	19.8
March	8,533	4,807	*8.3*	*6.5*	23.1	18.9
April	6,636	5,132	*7.0*	*6.5*	20.3	19.1
May	4,332	5,226	*5.8*	*6.3*	17.1	18.5
June	3,609	6,410	*7.1*	*6.5*	22.5	19.1
July	3,978	7,339	*6.2*	*6.9*	19.8	20.5
August	5,442	11,880	*5.9*	*7.6*	18.9	22.6
September	4,229	10,625	*5.7*	*7.5*	16.9	22.5
October	4,888	11,111	*5.3*	*7.3*	15.3	21.4
November	5,926	8,394	*6.2*	*6.4*	18.2	19.0
December	7,377	6,002	*7.2*	*7.1*	20.9	21.3
1972						
January	9,582	5,191	*9.3*	*7.3*	26.0	21.7
February	12,269	6,393	*9.3*	*7.1*	26.3	21.3
March	8,744	4,926	*8.8*	*6.9*	25.6	20.9
April	6,588	5,095	*7.5*	*7.0*	22.4	21.1
May	5,197	6,284	*6.8*	*7.4*	20.5	22.2
June	4,077	7,242	*7.7*	*7.2*	24.9	21.2
July	4,542	8,380	*6.5*	*7.3*	20.4	21.2
August	4,424	9,659	*6.4*	*8.3*	20.6	24.7
September	3,642	9,150	*5.9*	*7.9*	17.7	23.6
October	4,979	11,341	*5.9*	*8.1*	17.0	23.8
November	6,370	9,023	*7.2*	*7.4*	20.9	22.0
December	8,582	6,983	*9.7*	*9.4*	28.1	28.9
1973						
January	11,050	5,986	*9.2*	*7.2*	26.2	21.9
February	10,244	5,338	*8.1*	*6.2*	23.1	18.7
March	7,796	4,392	*7.7*	*6.0*	22.2	18.2
April	6,886	5,326	*6.7*	*6.2*	19.8	18.7
May	4,914	5,942	*6.0*	*6.5*	18.2	19.7
June	3,671	6,520	*6.6*	*6.1*	21.0	17.9
July			*6.2*	*6.8*	19.0	19.7
August						
September						
October						
November						
December						

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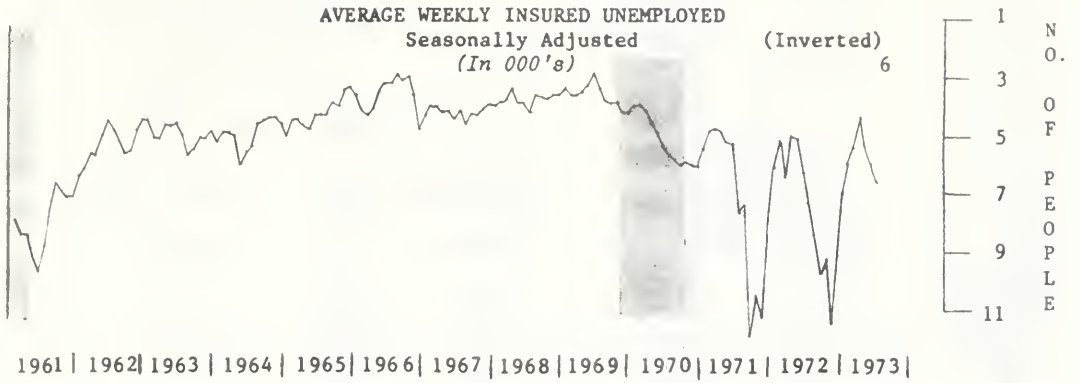
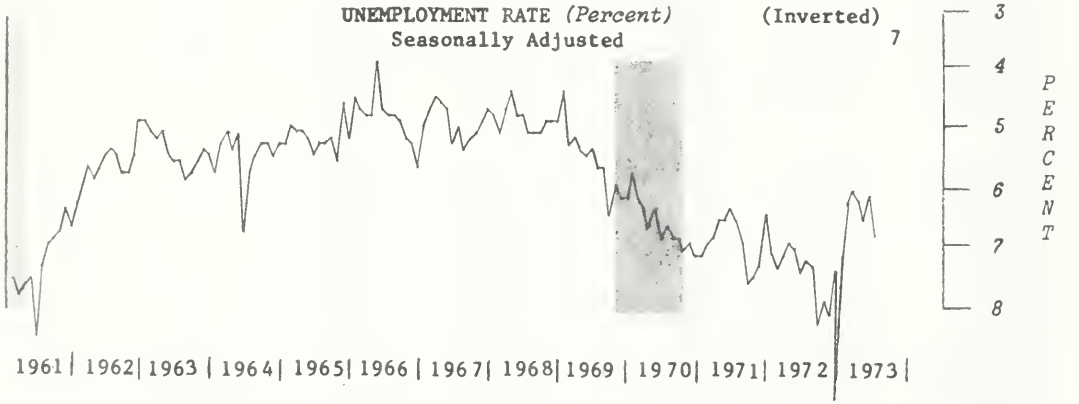
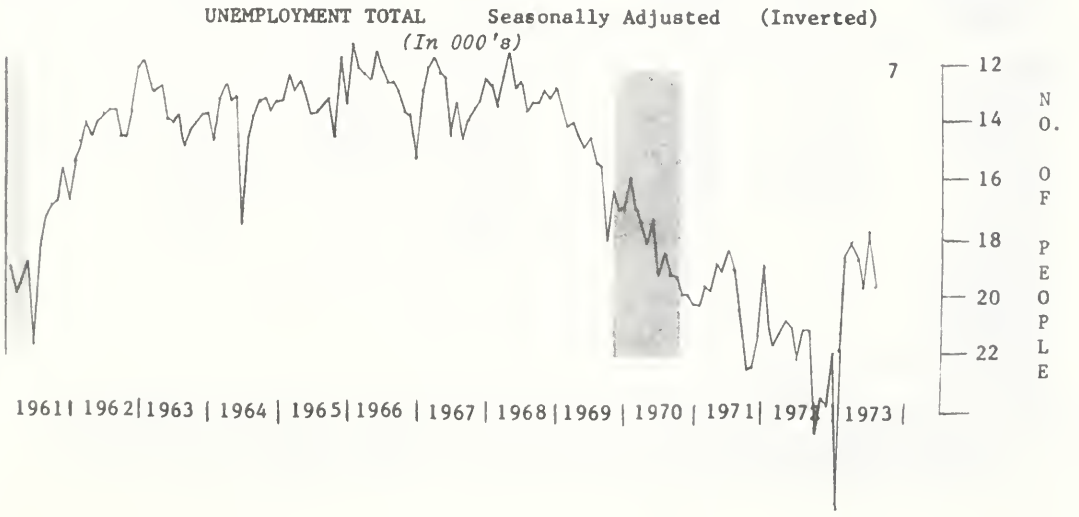
MONTANA COINCIDING INDICATORS







MONTANA COINCIDING INDICATORS

1971 1972 1973

	Montana Manufacturing Employment (In Thousands)		INDEX: 1967 = 100			
			Nonagricultural Employment INDEX		Civilian Work Force INDEX	
	ADJUSTED	UNADJUSTED	Montana*	U. S.	Montana*	U. S.
1971						
January	23.7	23.0	104.8	106.7	105.3	108.2
February	23.7	22.8	105.7	106.6	106.5	107.8
March	23.7	22.8	106.5	106.5	106.2	107.9
April	24.0	22.8	105.9	106.6	107.0	108.2
May	23.7	23.2	106.3	107.1	107.1	108.6
June	23.8	24.4	106.3	106.8	106.8	107.9
July	21.6	22.5	104.2	107.4	107.7	108.6
August	22.0	22.8	104.3	107.6	108.7	109.1
September	22.7	23.2	104.9	108.0	108.6	109.2
October	24.7	25.5	107.3	108.2	106.8	109.5
November	25.0	25.4	108.6	108.5	108.4	110.0
December	24.9	24.9	108.4	108.7	109.3	110.1
1972						
January	25.9	24.8	108.7	109.4	109.3	110.7
February	25.7	24.7	109.0	109.5	109.6	110.6
March	25.1	24.1	110.6	110.2	110.7	111.5
April	25.0	24.0	108.9	110.4	110.7	111.4
May	24.8	24.3	108.2	110.8	110.2	111.7
June	24.6	25.2	107.3	111.2	108.9	111.9
July	24.4	25.4	105.6	111.1	106.2	111.9
August	24.3	25.2	104.7	111.2	108.8	112.3
September	24.3	24.9	104.0	111.5	108.1	112.6
October	24.8	25.6	106.2	111.6	107.0	112.8
November	25.1	25.4	107.2	112.0	108.0	112.5
December	25.2	25.2	108.2	112.2	111.5	112.8
1973						
January	25.4	24.6	112.0	110.7	111.1	109.1
February	25.7	24.7	112.7	112.0	110.9	110.3
March	25.2	24.3	113.9	113.0	111.7	111.0
April	25.5	24.2	112.0	113.4	110.3	111.2
May	25.0	24.5	111.4		110.7	
June	24.5	25.1	109.8		107.2	
July			108.0		105.1	
August						
September						
October						
November						
December						

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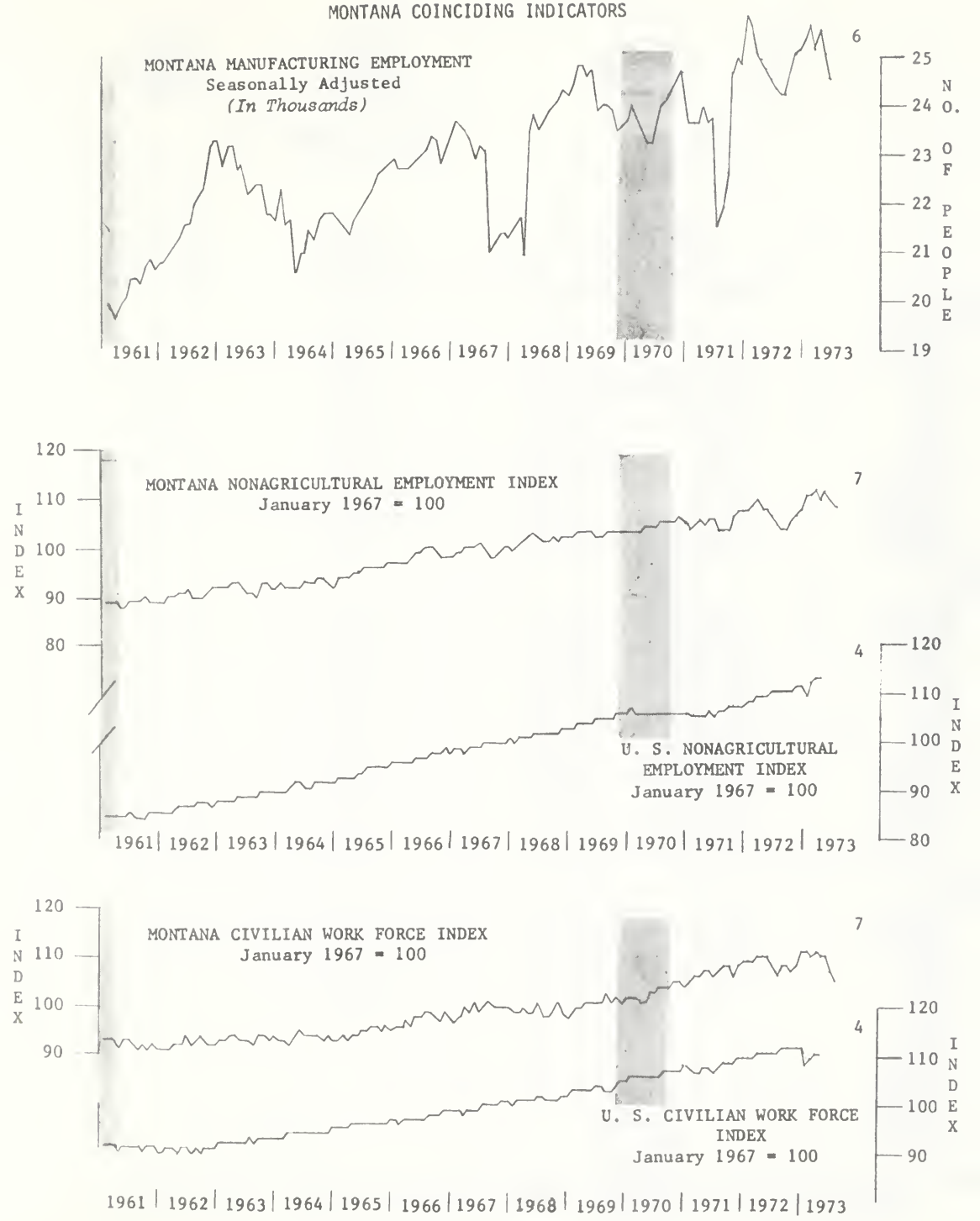
* *Revised to 1972 Benchmarks.*

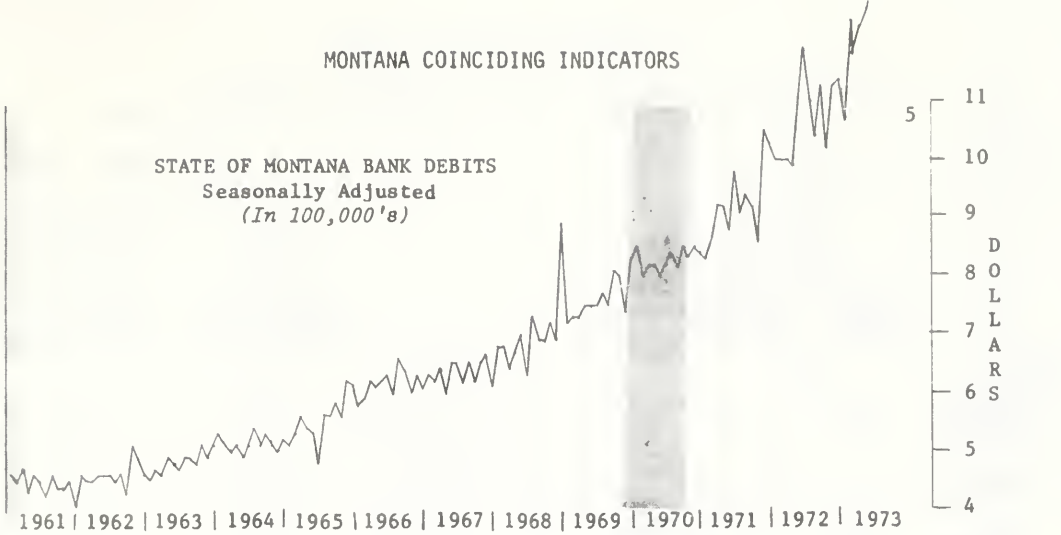
MONTANA COINCIDING INDICATORS



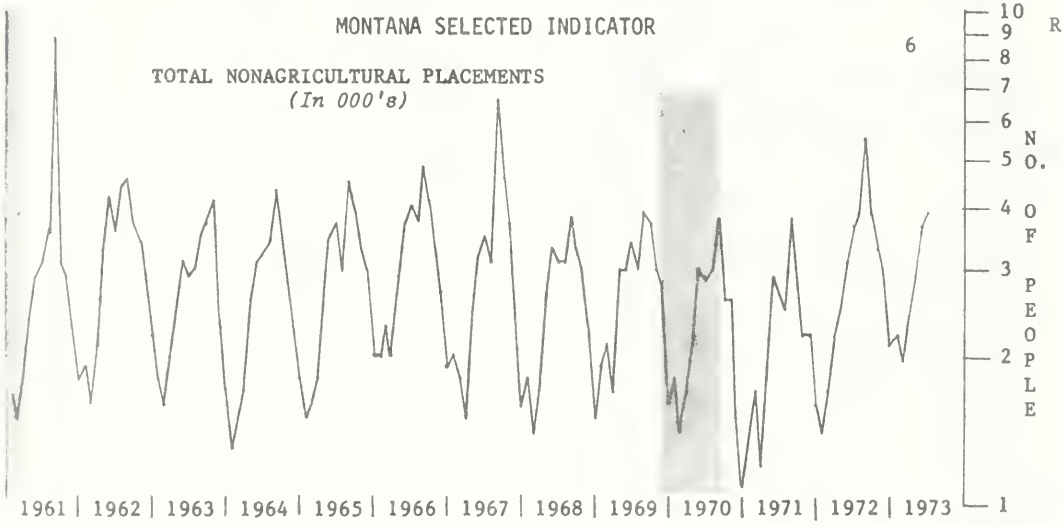
	MONTANA COINCIDING INDICATORS		MONTANA SELECTED INDICATOR	MONTANA COMPOSITE INDEX
	1971 1972 1973		1971 1972 1973	1971 1972 1973
	State of Montana Bank Debits *(In 100,000's)*		Total Nonag. Placements *(In 000's)*	Composite Index* 6 Leading Indicators 1967 = 100
	UNADJUSTED	ADJUSTED		
1971				
January	874.1	835.7	1,359	125.0
February	770.0	877.0	1,736	97.6
March	893.9	924.4	1,272	99.2
April	890.8	926.0	1,834	95.7
May	821.5	883.3	2,966	113.4
June	991.8	986.9	2,720	104.6
July	909.9	916.3	2,561	98.2
August	895.1	948.2	3,810	91.0
September	920.6	929.9	2,844	91.9
October	937.2	862.2	2,292	115.2
November	1,139.5	1,053.1	2,214	102.4
December	1,160.3	1,037.8	1,678	107.8
1972				
January	1,044.3	1,008.0	1,496	107.8
February	960.8	1,091.8	1,746	102.0
March	1,030.9	1,066.1	2,202	97.3
April	961.9	1,000.0	2,513	117.1
May	1,112.7	1,196.4	3,197	104.7
June	1,113.4	1,107.8	3,715	101.6
July	1,036.3	1,043.6	3,931	99.2
August	1,074.8	1,138.6	5,516	96.1
September	1,013.7	1,023.9	3,941	93.8
October	1,238.6	1,139.4	3,362	103.5
November	1,235.4	1,141.7	3,075	108.0
December	1,202.9	1,075.9	2,100	105.0
1973				
January	1,333.0	1,286.7	2,228	116.0
February	1,043.5	1,186.8	1,922	106.0
March	1,221.7	1,263.4	2,411	107.4
April	1,230.4	1,279.0	2,936	89.6
May	1,259.8	1,354.6	3,747	99.3
June			3,914	100.7
July				
August				
September				
October				
November				
December				

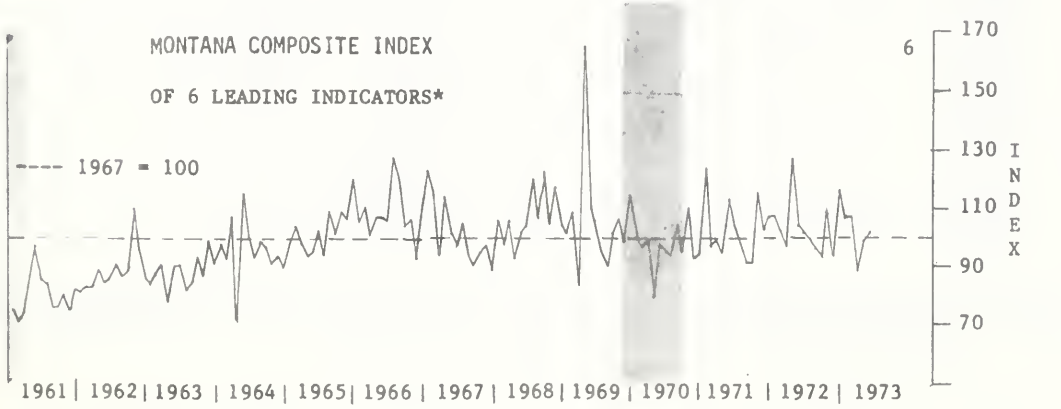
*NOTE: Seasonally adjusted data and the use of indexes are provided for statistical analysis only and should not be confused with actual numbers. *See Glossary.*

MONTANA COINCIDING INDICATORS



MONTANA SELECTED INDICATOR





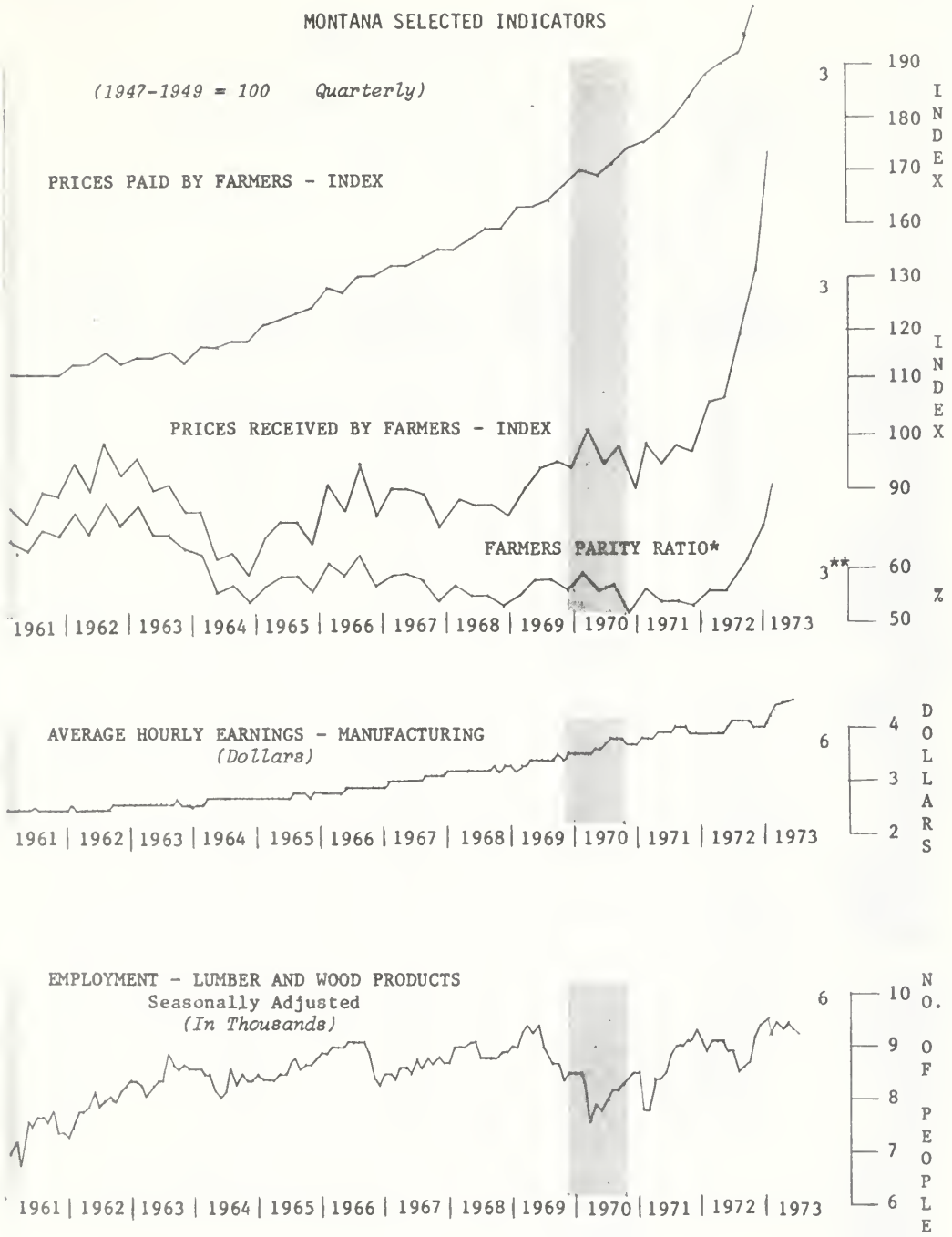
* *See Glossary.*

MONTANA SELECTED INDICATORS

	1971	1972	1973
	FARM PRICE INDEX *(1947-1949=100)*		
	Prices Paid	Prices Received	Parity Ratio*
1971			
1st Qtr.	175	98	56
2nd Qtr.	177	95	54
3rd Qtr.	180	98	54
4th Qtr.	184	97	53
1972			
1st Qtr.	188	106	56
2nd Qtr.	190	107	56
3rd Qtr.	192	119	62
4th Qtr.	197	131	66
1973			
1st Qtr.	206	153	75
2nd Qtr.			
3rd Qtr.			
4th Qtr.			

	1971	1972	1973
	Average Hourly Earnings Manufacturing *(Dollars)*	Employment, Lumber and Wood Products UNADJUSTED *(In Thousands)*	ADJUSTED *(In Thousands)*
1971			
January	3.81	7.7	7.8
February	3.85	7.6	7.8
March	3.88	8.0	8.4
April	3.90	7.6	8.4
May	3.94	8.1	8.5
June	3.96	9.0	8.8
July	4.02	9.4	9.0
August	3.99	9.6	9.0
September	4.09	9.6	9.1
October	3.90	9.7	9.1
November	3.90	9.4	9.3
December	3.96	9.2	9.1
1972			
January	3.93	8.8	8.9
February	3.93	8.8	9.1
March	3.95	8.7	9.1
April	3.98	8.2	9.1
May	4.04	8.5	8.9
June	4.10	9.1	8.9
July	4.14	8.9	8.5
August	4.11	9.1	8.6
September	4.11	9.2	8.7
October	4.01	9.5	9.2
November	4.07	9.7	9.4
December	4.08	9.0	9.5
1973			
January	4.24	9.1	9.2
February	4.39	9.1	9.4
March	4.40	8.9	9.3
April	4.39	8.5	9.4
May	4.42	8.8	9.3
June	4.48	9.4	9.2
July			
August			
September			
October			
November			
December			

NOTE: Seasonally adjusted data and the use of indexes are provided for statistical analysis only and should not be confused with actual numbers. ** See Glossary.*

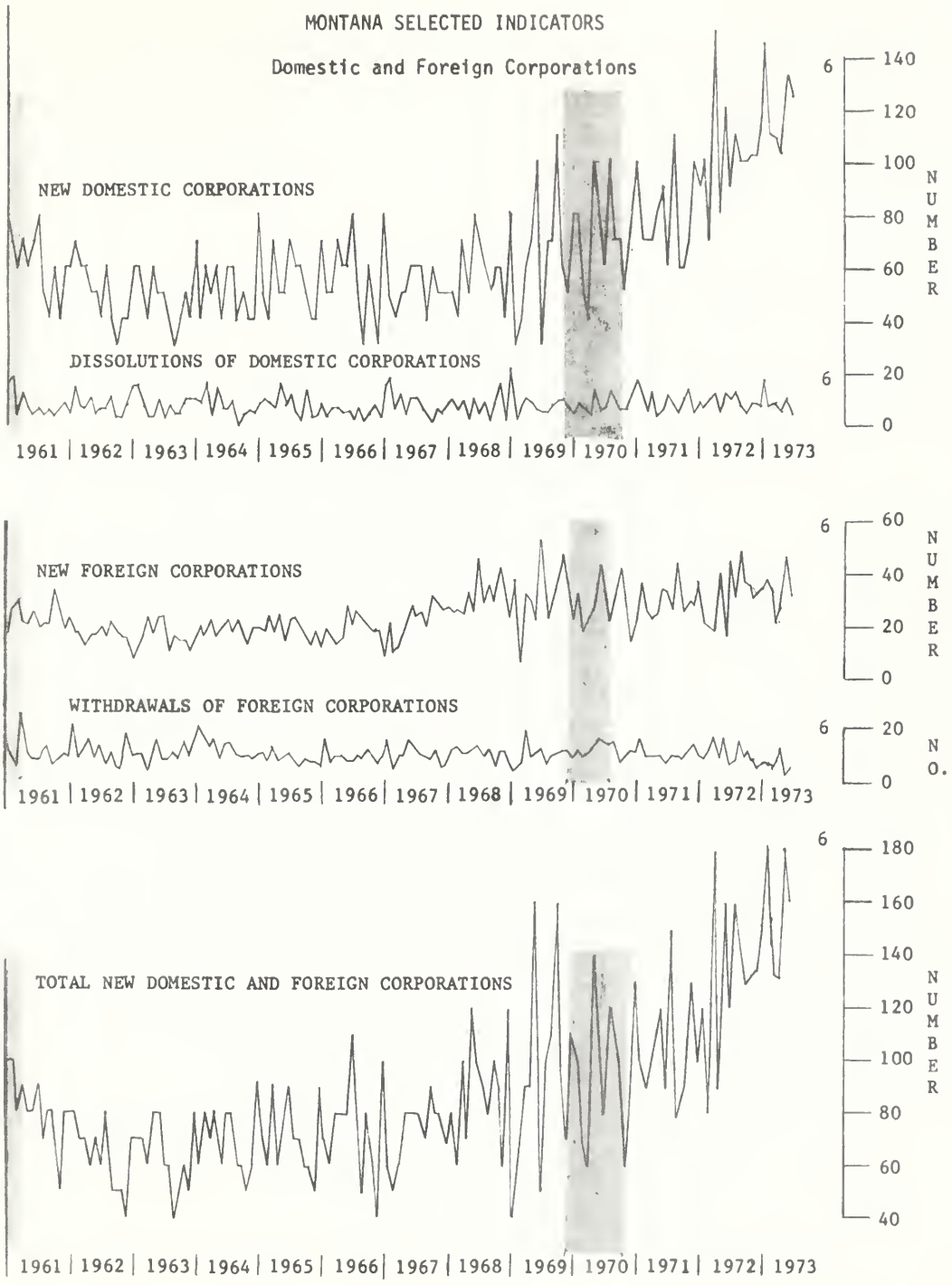

MONTANA SELECTED INDICATORS
(1947-1949 = 100 Quarterly)
PRICES PAID BY FARMERS - INDEX
PRICES RECEIVED BY FARMERS - INDEX
FARMERS PARITY RATIO*
3 190 180 170 160 INDEX
3 130 120 110 100 90 INDEX
3** 60 50 %
1961 1962 1963 1964 1965 1966 1967 1968 1969 1970 1971 1972 1973
AVERAGE HOURLY EARNINGS - MANUFACTURING
(Dollars)
6 4 3 2 DOLLARS
1961 1962 1963 1964 1965 1966 1967 1968 1969 1970 1971 1972 1973
EMPLOYMENT - LUMBER AND WOOD PRODUCTS
Seasonally Adjusted
(In Thousands)
6 10 9 8 7 6 NO. OF PEOPLE
1961 1962 1963 1964 1965 1966 1967 1968 1969 1970 1971 1972 1973

* *See Glossary.*
** *Preliminary.*

MONTANA SELECTED INDICATORS

1971 1972 1973

	New Domestic Corporations	Dissolutions of Domestic Corporations	New Foreign Corporations	Withdrawals of Foreign Corporations	Total New Domestic and Foreign Corporations
1971					
January	73	12	25	12	98
February	67	5	21	6	88
March	74	12	23	6	97
April	78	4	33	6	111
May	87	5	31	6	118
June	63	11	25	4	88
July	108	8	43	6	151
August	58	5	26	6	84
September	64	10	28	5	92
October	70	13	26	7	96
November	97	5	36	10	133
December	93	8	21	6	114
1972					
January	101	6	18	5	119
February	67	9	17	7	84
March	146	11	39	13	185
April	76	5	15	5	91
May	118	11	43	13	161
June	88	10	30	2	118
July	111	12	47	4	158
August	100	7	35	11	135
September	99	4	34	6	133
October	102	8	31	10	133
November	102	8	33	6	135
December	118	7	34	8	152
1973					
January	146	18	36	7	182
February	112	8	32	6	144
March	110	9	23	8	133
April	104	6	28	12	132
May	134	11	47	3	181
June	126	5	35	5	161
July					
August					
September					
October					
November					
December					

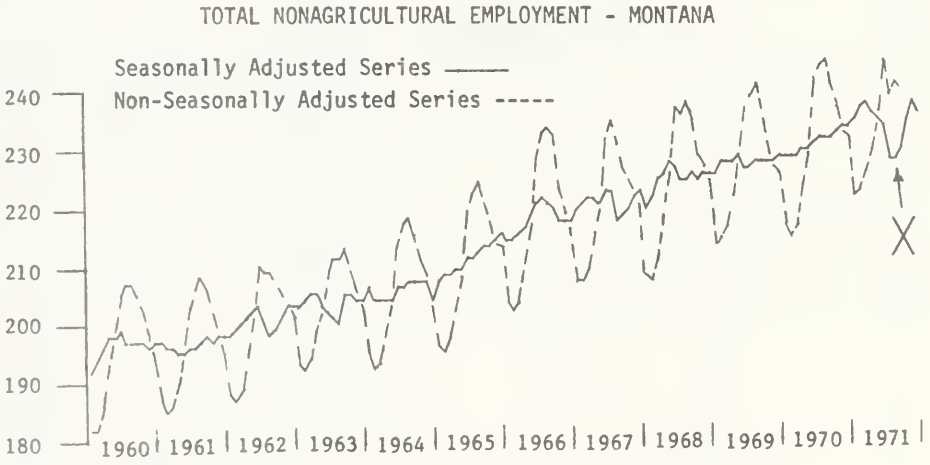

MONTANA SELECTED INDICATORS
Domestic and Foreign Corporations
NEW DOMESTIC CORPORATIONS
DISSOLUTIONS OF DOMESTIC CORPORATIONS
NEW FOREIGN CORPORATIONS
WITHDRAWALS OF FOREIGN CORPORATIONS
TOTAL NEW DOMESTIC AND FOREIGN CORPORATIONS
NUMBER
NO.
1961 1962 1963 1964 1965 1966 1967 1968 1969 1970 1971 1972 1973

APPENDIX I

GLOSSARY

Seasonal Adjustment - A mathematical procedure in which certain monthly or yearly variations such as climate, holidays, vacation practices, etc., are removed from the statistics. The purpose of this is to simplify analysis over a long period of time and to highlight such non-seasonal occurances as strikes, natural disasters, floods, earthquakes, etc.

Non-Seasonally Adjusted - or "raw" data will not always reflect such occurances precisely because of seasonal influences. For example, the following chart is a graph of total nonagricultural employment for the State of Montana for the years 1960 to 1971.



Note the erratic nature of the non-adjusted data, and that a non-seasonal phenomena occurred in 1971 directly above the "X" mark. During this period a labor-management dispute occurred and the seasonally adjusted figures emphasize this point whereas the dispute is not readily apparent in the non-adjusted data. A word of caution is due at this point about non-adjusted and adjusted data. Adjusted data is not a "substitute" for actual data, and should in no way be used as such.

Economic Indicators - Statistical time series whose cyclical characteristics are known and fairly stable, particularly in the timing of their cyclical peaks and troughs relative to business cycle turns. Economic Indicators are used for the interpretation of current, and the anticipation of prospective, business conditions.

Leading Indicators - An economic series that tends to reverse direction sufficiently in advance of changes in total business activity. The peaks and troughs of this type of indicator generally occur from three to several months previous to the peak or trough in total business activity.

Coincidental Indicators - An economic series that tends to parallel the same general pattern of total business activity.

Selected Indicators - A cyclical time series whose true value as an economic indicator is not yet known.

Lagging Indicators - An economic series that tends to reverse direction (reach its peaks or troughs) some time after the total business pattern has changed.

Other Indicators - A statistical series that combines the cyclical changes of the other types of economic indicators. For example, personal income generally lags at the peaks, and leads at the troughs of total business activity.

Montana Composite Index - An aggregate of six leading indicators: Building Permits; Manufacturing - Employment, Average Weekly Hours, Total Accessions, and Layoffs; and Average Weekly Initial Claims. A reverse trend was used for Layoffs and Average Weekly Initial Claims. This composite index is in no manner or form comparable to the United States composite index as published in "Business Conditions Digest", U.S. Dept. of Commerce. The two indexes do not contain the same data, and the Dept. of Commerce used weighted figures while Montana's index used unweighted figures.

Labor Turnover - The movement of wage and salary workers into and out of employment status.

Accessions - All permanent or temporary additions to the employment rolls, which include new hires and other accessions.

New Hires - Permanent and temporary additions to employment rolls of persons who have never been employed by a specific reporting establishment. This includes former employees who have been rehired although not specifically recalled by the reporting employer.

Other Accessions - Additions to the employment rolls of transfers from other establishments of the same company; employees returning from military service or unpaid leaves of absence; employees specifically recalled by an employer.

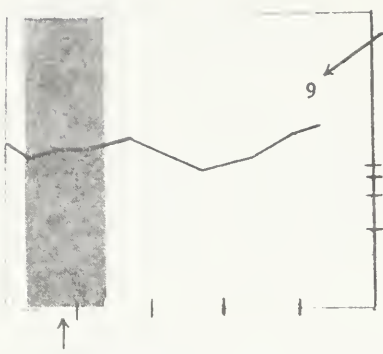
Separations - The termination of employment of persons who quit, are laid off, discharged, retire, die, are inducted into the military for service exceeding 30 consecutive days, suffer physical disabilities, or are transferred to other establishments of the same company.

Quits - The termination of employment initiated by an employee for any reason other than retirement, transfer, or service in the Armed Forces.

Layoffs - Suspension from pay status of an employee, expected to last seven consecutive days. This action must be initiated by the employer without prejudice to the worker, for reasons such as lack of orders, model changeover, termination of seasonal employment, inventory-taking, plant breakdown, technological changeover, shortage of materials.

APPENDIX II

KEY



Arabic numbers above graph lines indicate the last month of the year for which data have been plotted.

"R" indicates that the scale is a ratio (semilogarithmic) scale. All others are arithmetic scales.

Shaded areas on the graph indicate recession periods in the United States as designated by the National Bureau of Economic Research.

Broken lines on graphs indicate that data is not available for that time period.

Montana's indicators have been classified into three types; Leading, Coinciding, and Selected. The classification of Montana's Leading and Coinciding Indicators parallels the Department of Commerce, Bureau of Economic Analysis classification. This has been done to facilitate an easier and more accurate comparison of individual indicators with those of the nation. (This classification, however, does not mean that the Montana Employment Service has endorsed any particular economic theory.)

Historical data available upon request.